Beverage Container Stewardship Program Regulation

Annual Report by the Director

2002 - 2003 Reporting Period

Synopsis

The regulation encompasses all containers of ready-to-drink beverages, except for milk, milk substitutes, infant formula and meal replacements. The regulation requires a seller of beverages to collect a deposit from the purchaser, specifies the minimum amount of the deposit and requires sellers and/or depots to accept containers and pay a refund per container not less than the amount of the deposit collected. Containers are managed in accordance with three stewardship plans approved under the regulation. The stewardship plans are required to show how an 85% recovery rate will be achieved within two years after the implementation date for the plan. In 2002, the overall recovery rate was **83.7%**, up from 81% in 2001.

Program Performance

Stewardship Agencies

The three stewardship agencies established by the beverage industry to meet their responsibilities under the regulation are:

Encorp Pacific (Canada), responsible for non-alcoholic beverages, representing **56%** of total containers;

Liquor Distribution Branch, responsible for wine, spirits, non-refillable beer, cider and cooler containers, other than those produced by Molson and Labatt, representing **9%** of total containers; and

Brewers Distributors Ltd., responsible for refillable glass bottles and aluminum cans for beer, ciders and coolers, representing **35%** of total containers.

Overall Financial Information and Recovery Rate

Funding for the management of containers is generated through unredeemed deposits, revenue from sales of recyclable materials and for some containers, brand-owner eco-fees. The following independently audited financial and recovery rate information has been provided by the industry stewards:

Stewardship Agency	Reporting Period	Deposits Charged	Deposits Refunded	Units Sold	Units Recovered	Recovery Rate 2002	Recovery Rate 2001
Encorp Pacific (Canada	January 1 - December 31, 2002	$57,038,454	$43,826,712	893,602,382	671,381,606	75.1%	72.1%
Liquor Distribution Branch	April 1, 2002 to March 31, 2003	$16,168,687	$14,642,115	145,839,788	132,933,654	91.2%	85.7%
Brewers Distributors Ltd.	April 1, 2002 to March 31, 2003	$56,289,693	$53,752,752	562,896,936	537,527,520	95.5%	93.3%
Overall Recovery Rate				**1,602,339,106**	**1,341,842,780**	**83.7%**	81.0%

Container Management

Encorp Pacific (Canada)

Information on the processing of containers and the marketing of the recyclable product is contained in the 2002 Annual Report on Encorp's website.

Liquor Distribution Branch

Under an agreement with the Liquor Distribution Branch, Encorp Pacific (Canada) recycles LDB's containers. Information on the processing of containers and the marketing of the recyclable product is contained in Encorp's Annual Report on its website.

Brewers Distributors Ltd.

The vast majority of bottles are refilled an average of 15 times each. The small percentage of these bottles that are unsuitable for refilling are culled and sent to a processing facility for crushing and subsequent use in the manufacture of new bottles and various other uses.

Aluminum cans are crushed into biscuits and shipped to an aluminum recycler for production of new aluminum cans and other fabricated aluminum products.

Detailed Container and Recovery Rate Information

Container (type and size	Deposit (¢)	Container Recycling Fee (¢)	Sales (units)	Deposits Received ($)	Refunds Paid ($)	Returns (units)	Recovery Rate 2002	Recovery Rate 2001
Encorp Pacific (Canada)		*						
Aluminum	5	0	427,240,674	21,362,034	17,955,287	359,105,736	84.1%	83.1%
Plastic ≤ 1L	5	1	185,105,126	9,255,256	6,810,544	136,210,887	73.6%	64.8%
Drink Box ≤ 500ml	5	0	102,589,802	5,129,490	2,447,074	48,941,487	47.7%	46.7%
Plastic > 1L	20	4	69,984,319	13,996,864	12,304,280	61,521,401	87.9%	88.4%
Glass ≤1L	5	3	59,011,861	2,950,593	1,834,184	36,683,679	62.2%	58.2%
Drink Box 501ml to 1L	5	2	30,307,162	1,515,358	955,124	19,102,472	63.0%	53.9%
Gable top > 1L	20	0	**	**	**	**	57.1%	44.5%
Bimetal ≤1L	5	0	**	**	**	**	45.4%	41.1%
Bimetal >1L	20	0	**	**	**	**	45.6%	49.2%
Gable top 501 ml to 1L	5	1	**	**	**	**	31.7%	33.7%
Gable top ≤ 500 ml	5	0	**	**	**	**	47.6%	24.8%
Glass >1L	20	5	**	**	**	**	52.0%	71.5%
Bag-in-box	20	0	**	**	**	**	66.0%	55.3%
Encorp Totals			893,602,382	57,038,454	43,826,712	671,311,606	75.1%	72.1%
* fees in effect until end of 2002 and are subject to change;refer to Encorp website for current rates								
** according to Encorp, figures for container sales less than 10 m may provide information considered to be commercially confidential								
Liquor Distribution Branch								
Glass - wine and spirits			59,153,964	7,018,106	6,145,542	51,597,636	87.2%	85.3%
≤ 1L	10		48,126,863	4,812,686	4,173,986	41,739,857	86.7%	84.8%
> 1L	20		11,027,101	2,205,420	1,971,556	9,857,779	89.4%	87.4%
Glass - non-refillable beer, cider, cooler			76,654,880	7,739,378	7,466,629	73,984,020	96.5%	88.1%
≤ 1L	10		75,915,986	7,591,599	7,330,174	73,301,744	96.6%	88.2%
> 1L	20		738,894	147,779	136,455	682,276	92.3%	81.2%
Plastic			8,613,253	1,127,665	910,415	6,754,355	78.4%	75.9%
≤ 1L	10		5,949,851	594,985	440,457	4,404,565	74.0%	71.0%
> 1L	20		2,663,402	532,680	469,958	2,349,790	88.2%	84.9%
Bag-in-box >1L	20		1,417,691	283,538	119,529	597,643	42.2%	40.7%
LDB Totals			145,839,788	16,168,687	14,642,115	132,939,654	91.2%	85.7%
Brewers Distributors Ltd.								
Aluminum cans	10		382,525,544	38,252,554	34,771,432	347,714,316	95.9%	93.9%
Industry standard bottles	10		160,743,840	16,074,384	15,379,795	153,797,952	95.7%	93.8%
Non-industry standard bottles (refillable)	10		39,827,552	3,982,755	3,601,525	36,015,252	90.9%	85.5%
BDL Totals			562,896,936	56,289,693	53,752,752	537,527,520	95.5%	93.3%
Beverage Program Totals			**1,602,339,106**	**129,496,834**	**112,221,579**	**1,341,772,780**	**83.7%**	**81.0%**

The Beverage Container Management Board (BCMB)

The BCMB meets at least on a quarterly basis or more often as needed, and provides advice to the minister on the deposit-refund system in particular and beverage container program issues in general. The ten member board comprises representatives nominated by the three industry stewards, the BC Bottle Depot Association, Union of BC Municipalities, labour, retail grocers, Recycling Council of BC, an environmental non-government organization and the Ministry of Water, Land and Air Protection. The board is chaired by John Nixon, representing Encorp Pacific (Canada).

Further Information

Recycling Council of BC provides information to callers to its Recycling Hotline on a number of stewardship

issues, under contract to various stewards.
Phone 604-473-2400 (Greater Vancouver), 1-800-667-4321 (Rest of BC); http://www.rcbc.bc.ca

Information on each of the stewardship programs is available on its steward's websites, as follows:

Encorp Pacific (Canada)
Phone 604-473-2400 (Greater Vancouver); 1-800-330-9767 (Rest of BC)
http://www.encorp.ca/cfm/index.cfm (includes annual reports)

Liquor Distribution Branch
Phone: 604-252-3029; http://www.bcliquorstores.com/en/customerservice/depositrefund

Brewers Distributors Ltd.
Phone: 604-664-2300; http://www.westernbrewers.com

Eric Partridge
Director, Environmental Management Branch

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